

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1660 – SB 2335

March 22, 2022

SUMMARY OF BILL: Deletes exceptions to the offense of unlawfully carrying a handgun with the intent to go armed.

FISCAL IMPACT:

Increase State Revenue –

\$2,625,000/FY22-23 and Subsequent Years/Handgun Permit Division

\$646,100/FY22-23 and Subsequent Years/TBI

Increase State Expenditures –

\$38,800/FY22-23 and Subsequent Years/Handgun Permit Division

\$282,100/FY22-23 and Subsequent Years/TBI

Increase Local Revenue – \$193,200/FY22-23 and Subsequent Years

Assumptions:

- Public Chapter 108 of 2021 (PC 108) created exceptions to the offense of carrying a handgun, whether openly or concealed, with the intent to go armed for any person at least 21 years of age who lawfully possesses the handgun.
- The proposed legislation would reverse the statutes enacted by PC 108, which was enacted on July 1, 2021.
- Because of the recent date of enactment, there exists less than a full year's data on the effect of PC 108 on the number of people who will seek to obtain and renew handgun carry permits.
- As such, this analysis is based on the Fiscal Review Committee's projected estimates of what effect that law would have on handgun carry permit applications for issuance and renewal as set forth in the analysis conducted at the time of consideration.
- This analysis excludes military and law enforcement permits.
- It is assumed that PC 108 would result in a 20 percent reduction in applications for Concealed Handgun Carry Permits (CHCP), Enhanced Handgun Carry Permits (EHCP), EHCP renewals, and Lifetime Enhanced Handgun Carry Permits (LHCP). The following represents the estimated number of applications equivalent to a 20 percent reduction based on the averages of the previous five fiscal years:
 - CHCP – 6,629
 - EHCP – 8,363
 - EHCP renewal – 16,823

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- LHCP – 4,520
- The required fees for each are as follows:
 - CHCP – \$65
 - EHCP – \$100
 - EHCP renewal – \$50
 - LHCP – \$300
- From every EHCP and LHCP fee paid, \$15 is allocated to the applicable sheriff's department to cover the cost of a local background check; \$15 is allocated to the Tennessee Bureau of Investigation (TBI) for updating and maintaining their databases; \$35.15 is allocated to the TBI to cover the cost of fingerprint vendors, TBI background checks, and Federal Bureau of Investigation (FBI) fingerprint background checks. There are no such allocations subtracted from the fees for a CHCP or EHCP renewal.
- Therefore, the revenue that accrues to the Department of Safety (DOS) after background fees are disbursed is as follows:
 - CHCP – \$65
 - EHCP – \$34.85
 - EHCP renewal – \$50
 - LHCP – \$234.85
- The proposed legislation is assumed to have the effect of reversing the estimated 20 percent reductions forecasted for PC 108.
- Thus, the annual increase in revenue to DOS is estimated to be as follows:
 - CHCP – \$430,885 (6,629 permits x \$65)
 - EHCP – \$291,451 (8,363 permits x \$34.85)
 - EHCP renewal – \$841,150 (16,823 renewals x \$50)
 - LHCP – \$1,061,522 (4,520 permits x \$234.85)
- The total increase in revenue to the Handgun Permit Division of DOS is estimated to be \$2,625,008 (\$430,885 + \$291,451 + \$841,150 + \$1,061,522) in FY22-23 and subsequent years.
- For each new EHCP and LHCP permit application, the TBI will receive \$50.15. The increase in revenue to the TBI is estimated to be \$646,082 [(8,363 EHCP + 4,520 LHCP) x \$50.15] in FY22-23 and subsequent years.
- The TBI reports an expense to the fingerprint vendor of \$8.65 and an additional expense of \$13.25 to the FBI per background check, for a total expenditure per background check of \$21.90 (\$8.65 + \$13.25).
- Therefore, the increase in expenditures to the TBI is estimated to be \$282,138 [(8,363 EHCP + 4,520 LHCP) x \$21.90] in FY22-23 and subsequent years.
- The DOS will incur an increase in expenditures related to printing new permits cards. The estimated cost per permit is \$1.99.
- Therefore, the increase in expenditures to DOS is estimated to be \$38,829 [(6,629 CHCP + 8,363 EHCP + 4,520 LHCP) x \$1.99] in FY22-23 and subsequent years.
- From every EHCP and LHCP fee paid, \$15 is allocated to the applicable sheriff's department to cover the cost of a local background check. Therefore, the total increase in revenue to local sheriff's offices is estimated to be \$193,245 [(8,363 EHCP + 4,520 LHCP) x \$15] in FY22-23 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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